The Indus Entrepreneurs

By ASEEM CHHABRA

Opportunity for successful entrepreneurs: Help others set up businesses. Cost to you? Only $1,500.

It's not an offer that is likely to appeal to business people who have built careers by staying ahead of rivals and checking the cost-versus-benefit ratio. Yet, since 1992, successful U.S.-based entrepreneurs of South Asian origin have been accepting just such an invitation, to become charter members of The Indus Entrepreneurs (TiE) for no other reason than to help others like them succeed. The not-for-profit networking and mentoring group now has 42 chapters in the United States and eight other countries and says it is reaching out to promote entrepreneurs from all national backgrounds. Any entrepreneur can join, paying a $100 fee, and is eligible to receive mentoring from the charter members, contacts and tips, entry to TiE Inc. events and programs.

"Entrepreneurship is very important to me. It is a way to make a difference," says Gururaj "Desh" Deshpande, 55, who joined the *Forbes* magazine list of the world's richest billionaires in 1997. Three years before that, he launched the Boston Chapter of TiE, the first outreach from the group that had started with a casual conversation among businessmen at a restaurant in Santa Clara, California.

"Entrepreneurship is the ability to say you will make a difference and go make it happen, as opposed to sitting around and complaining about things and being a Monday morning quarterback," says Deshpande, in a phone interview from his home in Andover, Massachusetts. "To me it is a powerful concept and if you can promote it, it is a worthwhile cause."

Deshpande was the founder chairman of Cascade Communications, a two-person start-up in Westford, Massachusetts, that in a few years had grown to a company with $500 million in revenue and nearly 900 employees by developing a frame-relay switch to move congested streams of data flowing across telephone lines. In June 1997, Deshpande sold Cascade for $3.7 billion to Ascend Communications of Alameda, California, and he was set to launch his new company, Sycamore Networks, in Chelmsford, Massachusetts, which develops and markets optical networking products for telecommunications service providers.
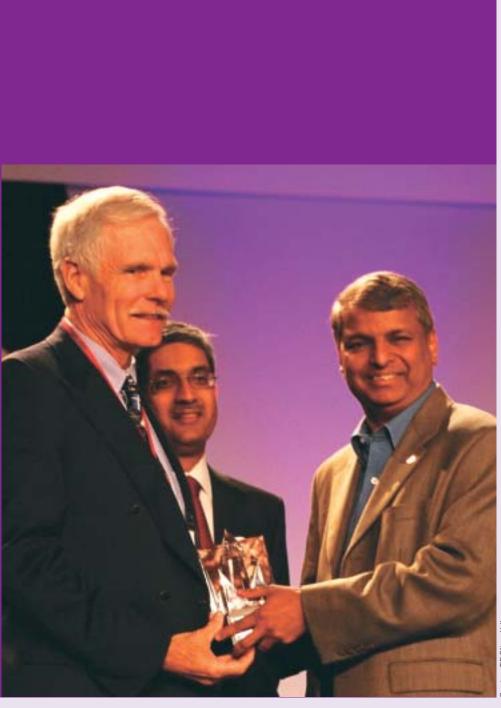
Despite his success in the technology industry, Deshpande had another, nobler goal. He wanted to be a mentor to those who aspired to become entrepreneurs.

"The concept of having charter members who have to pay to help others is very unusual," Deshpande says. "At the beginning we all used to struggle with the question, 'What do people get for $1,500?' And we could never come up with a list that actually justified it. So truly, $1,500 gets you an opportunity to help other people."

Ted Turner, the American media entrepreneur and philanthropist, receives the TiECon 2004 award from Gururaj "Desh" Desphande, former chairman of The Indus Entrepreneurs, at the group's yearly convention in Silicon Valley, California. Apurv Bagri (center) is the current chairman.

The worldwide chapters are governed by TiE Inc., based in the Silicon Valley area of California with 15 paid staff. For the first time, a non-U.S.-based entrepreneur is leading TiE and the group says its initials now stand for Talent, Ideas, Enterprise. The current chairman is London-based Apurv Bagri, managing director of Metdist Group of companies, involved in metal trading, manufacturing and technology sector investment.

One of the founding members, Kailash Joshi, recalls the first meeting, held to honor an Indian government official who did not arrive on time because of a delayed flight.

Courtesy TiE Silicon Valley

"We decided to talk among ourselves and it turned out that some of these people had not met each other before," says Joshi, 63, a former IBM executive. "One guest suggested that this group should meet more often. That was the genesis of TiE. And then four or five of us started the group where we would meet once a month and people would share their success stories."

Among the group that day were Kanwal Rekhi, founder of Excelan, a computer networking company, who later became the first chairman of TiE Inc., and Suhas Patil, founder and chairman emeritus of Cirrus Logic, a leading semiconductor company.

"It was an informal network of successful entrepreneurs and executives who would get together for dinner and one person would talk about his life experiences and that went on for about 18 months," Joshi says, chatting by phone from Arizona. Later someone suggested that the group should start to mentor younger South Asians who were looking for guidance.

"And then we said we have the makings of an organization and we called it TiE, to encourage entrepreneurship among people from across the sub-

continent," Joshi says. "Somebody coined the name. Somebody came up with the logo. Some people started writing checks. And in 1994 TiE really became an official organization."

The first TiE conference was held that same year in Silicon Valley to discuss issues that were of concern to South Asian entrepreneurs: how to find funding, write a business plan or market a company. "We thought we would get a couple of hundred people and that would be great, but we got 500 people and we were sold out," Joshi says.

The Boston Chapter was the first step TiE took to grow the organization outside of the Silicon Valley. The chapter now has more than 100 charter members, invited by other charter members, and runs a TiE institute where one-on-one mentoring and networking is provided to young, aspiring entrepreneurs. The chapter's annual convention—TiE Con East—held in Wakefield, Massachusetts, in April, brought in some 1,000 people.

Charter members are generally very senior people, says Parag Saxena, chief executive officer of Invesco Private Capital, and head of the TiE Tri-State chapter that supports members in New York, New Jersey and Connecticut. "The rule of thumb is that these are the people in the mentoring stage of their lives, the giving stage of their lives rather than in the needing stage of their lives," Saxena explains.

Rekhi, the first chairman of TiE Inc., took some major steps in globalizing the group, including launching chapters in India (there are 13 now) and in Pakistan. Due to personal business commitments Rekhi did not finish his two-year term, and Deshpande took over from him. Deshpande carried on Rekhi's vision to define what TiE meant to people outside the United States, especially in South Asia, the Indus region.

Last fall two-dozen Boston area venture capitalists, not all with ties to South Asia, paid $3,500 each for a weeklong trip to New Delhi, Mumbai and Bangalore. It was part of TiE Inc.'s global efforts, Deshpande says, adding, "India is very hot right now. Everyone wants to know what India is about, but a lot of

Left: Kailash Joshi, founding member of TiE. Right: Charles Prince, CEO of Citigroup, at a TiE Tri-State convention.

them haven't been there."

Such trips do not instantaneously generate investments in India. "But you couldn't have better publicity for India, because when they come back that's what they will talk about for the next two months to all their buddies," he says.

"There are two values we can bring to India," Deshpande says, "to promote entrepreneurship in a massive way, not just in hardware and software, but in all aspects; and global connectivity. It looks like any part of the economy in India that is globally connected is doing extremely well.

"We don't want to become an industry specific organization, rather we want to encourage entrepreneurship," he adds. "We want to make everybody aware that they have good entrepreneurship right around them. If we can showcase a specific case, we can say that this person was able to achieve all of this despite the roadblocks. And then we have the chapters in India to provide assistance."

In India, TiE's advisory board includes Infosys Chairman Narayan Murthy, Kiran Mazumdar-Shaw, chairwoman of Biocon India Limited, and K.V. Kamath, CEO and managing director of ICICI Bank Limited.

"They are into nation building," says Deshpande, who is Murthy's brother-in-law. "They have done their companies, their industries and they are very motivated to do something a little bigger. The idea is not to showcase their stories, but to really use them as people who actually promote the notion of entrepreneurship."

The appointment of London-based Bagri as the TiE Inc. chairman represents the maturation of the organization, which also includes expanding outside the field of technology, the focus of the Silicon Valley founders.

"As TiE's aspirations grew we realized that without abandoning our tech roots we needed to embrace entrepreneurship in its widest possible capacity," says Bagri, 45, who launched the British chapter in 2000.

In addition to promoting TiE further in the Indus region (the organization still does not have chapters in Bangladesh and Sri Lanka), he feels there is a need for a stronger institutional structure.

"Remember, it is a volunteer organization. All of us give our time, our thoughts and money," he says. "The aim is not to undermine that but to underpin it with a professional organization which allows us to grow and to create opportunities in ways to maximize the volunteer time that we put in. One of the issues of TiE was that we created all the chapters and the chapter network grew before the central organization was ever in place," he adds. "We are talking about an organization of entrepreneurs and free spirits." TiE Inc. has not added any chapters in the past couple of years

as it consolidates the existing network.

It is the quality of leadership in each chapter that determines its success. The Silicon Valley chapter hosts four or more events each month, Joshi says. Recent events included a conversation with film producer Subhash Ghai, and a forum for Indian and American pharmaceutical companies.

Under Saxena's leadership, South Asians from the financial, management consulting, pharmaceutical, hospitality, real estate, handicrafts and jewelry industries have joined TiE Tri-State, with different sets of needs than the initial members in Silicon Valley.

"Unlike the Silicon Valley chapter, when I took over the presidency of TiE Tri-State, it was after the Internet bubble had burst," says Saxena, 50. "So that desire to quit your job, become an entrepreneur and raise venture capital had somewhat waned. Instead I found that people were looking for advice on how to get ahead in their jobs."

Initially the Tri-State chapter had only five charter members. Realizing that charter members are the life blood of TiE, Saxena approached Indian-Americans who were division presidents or above in substantial firms.

"I said we have to get these people and keep very high standards," Saxena says. "Now we have more than 50 charter members and it is an extremely impressive list," which includes Victor Menezes, senior vice chairman of Citigroup; Rajat Gupta, senior partner worldwide of McKinsey & Co.; Ajit Jain, CEO of Berkshire Hathaway Insurance Co.; and Ashwini Gupta, chairman of the board of American Express Centurion Bank.

TiE Tri-State often co-sponsors events with local Indian Institute of Technology alumni groups, especially in mentoring and networking programs. "These have been a huge success, they are always sold out," Saxena says. "We have one senior person and five or six people sit together for a dinner and they really get a chance to chat with everyone at the table." ☐

TiE Philosophy

- Create an open, inclusive, and transparent organization
- Provide positive leadership role models
- Emphasize value-creation through informed entrepreneurship
- Maintain high ethical standards
- Display rigorous, intellectually honest behavior
- Pursue a modern, scientific and forward looking approach
- Remain socially responsible
- Do not tolerate pettiness, divisiveness and corruption
- Strive to remain an idea- and value-driven organization

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